



May 26, 2016

The Honorable Mary Nichols, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

**Re: Comments on Proposed Short-Lived Climate Pollutant
Reduction Strategy (April 2016 Draft)**

Dear Chair Nichols:

The Bioenergy Association of California (BAC) appreciates the opportunity to comment on the *Proposed Short-Lived Climate Pollutant Strategy* released in April. BAC is grateful for the Board's leadership in this critical area and the important additions made to several sections of the Strategy since the release of the Concept Paper on SLCP reductions last fall. BAC supports the overall goals of the Proposed Strategy, but achieving those goals will require adequate funding and other changes described below to ensure that the Proposed Strategy can meet the goal of SB 605 to provide a comprehensive strategy to reduce SLCP's from all major sources.

The Bioenergy Association of California represents more than 50 public agencies, local governments, private companies, environmental groups and others working to convert organic waste to energy. BAC's public sector members include air quality, solid waste, wastewater and environmental agencies, publicly owned utilities and economic development agencies. BAC's private sector members include energy and waste companies, technology and fuel providers, investors and other companies working across all organic waste sectors.

BAC offers the comments below on the Proposed Strategy.

1. The Proposed Strategy Provides an Excellent Summary of the Science and the Urgency of Reducing SLCP's.

The Proposed Strategy provides an excellent summary of the science of climate change and the urgency of reducing SLCPs. As the Proposed Strategy notes,

the “science unequivocally underscores the need to immediately reduce emissions of short-lived climate pollutants” and “SLCP emission reductions are critical to achieving [the AB 32] mandate.”¹ The Proposed Strategy also recognizes the importance of research and the need for a coordinated research strategy, but the Proposed Strategy does not identify critical research priorities.

BAC urges the Air Board to include a section in the final Strategy that identifies the overarching research priorities related to SLCP’s to help focus research dollars in these critical areas. Research priorities should include better quantification of SLCP reductions, improving the accuracy of emissions monitoring and tracking, improving technologies to reduce SLCP’s, and better quantifying and promoting the co-benefits of various technologies and strategies, including co-products.

2. Given the Urgency of Reducing SLCP’s, the State Should Focus GGRF and Other Public Funding on Actions to Reduce SLCP’s.

Achieving the goals of the SLCP Strategy will require enormous investments from both the public and private sectors. The Proposed Strategy highlights the need for public investment in SLCP reductions, especially strategies that can provide immediate SLCP reductions:

Throughout this Proposed Strategy, there is an emphasis on early actions, often supported by public investments and strong policy incentives. This approach is intended to achieve earlier reductions (in the 2020 timeframe), bring projects online quickly, and help scale sector-wide solutions while potential regulatory or other measures to reduce SLCP emissions are developed. By supporting early action through investments and commitments to overcome barriers, we can maximize benefits throughout California, while minimizing the impact of future regulations on businesses in these sectors.²

Despite recognizing the need to prioritize investments in early actions to reduce SLCPs, current GGRF and other state funding programs do not prioritize SLCP reductions at all. In fact, neither GGRF nor other waste diversion and energy funding programs use SLCP reduction as a specific scoring criteria in making funding decisions. In the Low Carbon Transportation funding proposed for 2016-17, for example, ARB’s staff proposal would allocate only a small portion of the \$500 million fund to fuels and technologies that would immediately reduce SLCP emissions, which are fuels made from organic waste. Similarly, of the approximately \$100 million renewable transportation fund administered by the California Energy Commission, approximately 6 percent goes to biomethane production, which provides the greatest SLCP reductions and most funding goes to fuels and vehicles that provide no SLCP reductions. CalRecycle’s funding for waste diversion also fails to prioritize SLCP reductions.

¹ *Proposed Short-Lived Climate Pollutant Reduction Strategy*, April 2016, at pages 1-2.

² *Id.* at page 20.

BAC urges the state to include a specific scoring criteria for SLCP reduction in all GGRF and energy related funding programs. This is especially important for GGRF programs since the Proposed Strategy itself says that reduction of SLCPs is the most urgent action needed to meet the goals of AB 32, which is the purpose of GGRF funding.

3. The Strategy Should Include Goals for Black Carbon from Wildfire, Which is California's Largest Source of SLCP Emissions.

BAC appreciates the expanded section on black carbon emissions from wildfire, which is greatly improved from the Concept Paper released last fall. The Proposed Strategy includes a much clearer summary of the reasons for increased wildfire emissions and the ways to reduce those emissions. The Proposed Strategy does not, however, contain any specific goals for black carbon reductions from wildfire, even though that is the single largest source of SLCP emissions in California and now accounts for 10 percent of the state's total climate change pollution. The continued increase in catastrophic wildfire also threatens California's largest carbon sink, which is its forests, and a major component of its AB 32 compliance strategy.

Wildfire emissions do vary from year to year and some amount is natural and part of a healthy forest ecosystem. Those are not reasons, however, to avoid setting goals for reducing black carbon emissions from wildfire. The final Strategy should include a baseline assessment of normal (pre-1900 or pre-1950) wildfire emissions and goals to reduce black carbon emissions from wildfire. While actual emissions will vary from year to year, the state can and should set goals for average emissions over five or ten year periods. Goals will be critical to benchmark against, drive research and monitoring priorities, help determine funding priorities, and ensure that California forests remain a net carbon sink instead of a growing source of SLCP emissions.

4. SLCP Reduction Strategies and Funding Programs Should be Technology Neutral and Performance Based.

Reducing SLCP's, particularly from organic waste, will require a variety of technologies and strategies. GGRF and other funding programs should set transparent performance criteria rather than focusing on individual technologies. This past year, and in the Governor's proposed budget for 2016-17, funding for organic waste diversion and dairy waste conversion was limited to a single technology, which is anaerobic digestion. Other technologies are commercially available and can help to meet the state's organic waste diversion and dairy manure management goals. In fact, CalRecycle's own analysis shows that anaerobic digestion is not suitable for many forms of organic waste, particularly wood waste and other cellulosic waste.

While many of these programs are in the early stage, it is especially important to be technology neutral and focus on performance criteria. Doing so will encourage the most cost-effective SLCP reductions with the biggest co-benefits. It will also encourage technology development and improvement, which is critical for long-term SLCP and GHG reduction strategies.

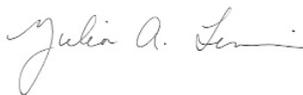
5. If the State is Going to Regulate Dairy Methane, an Adequate Market for Dairy Biogas and Other Incentives Will be Critical to Prevent Leakage.

California has the largest dairy industry in the country, and dairy is California's largest agricultural cash crop accounting for nearly 50 percent of the state's agricultural exports.³ Dairy is a critical and highly integrated part of California's agriculture industry. Nonetheless, both the dairy industry and the dairy waste to energy industry face significant challenges. If the state is going to move to regulate dairy methane emissions at some point, it will be critical to ensure that the transition to regulations is done carefully to avoid causing emissions leakage. As long as dairy methane capture and bioenergy production remain voluntary, carbon offset credits and LCFS credits can help to pay the costs of methane capture and bioenergy production. On the other hand, uncertainty around the long-term value of LCFS credits and carbon offset credits could hurt the struggling dairy waste to energy industry, which is just starting to rebuild after several project closures and a hiatus in new project development.

Increasing dairy methane capture and dairy waste to energy development will require ensuring that there is a long-term market for dairy biogas and long term value for LCFS and carbon offset credits, continuing to encourage technology development across a variety of technologies (anaerobic digestion, gasification and other waste conversion technologies), ensuring adequate incentives to help meet regulatory requirements, better understanding the co-benefits and co-products of methane reduction measures, and more.

BAC thanks the Air Board for its leadership on these critical issues. With the changes and additions recommended above, we look forward to adoption of the final Strategy and working with the Air Board and other agencies on its successful implementation.

Sincerely,



Julia A. Levin
Executive Director

³ <https://www.cdfa.ca.gov/statistics>.